

APPENDIX DATED 5 April 2023

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is circulated to the Shareholders (as defined herein) of CSE Global Limited (“Company”), together with the Company’s annual report for the financial year ended 31 December 2022 (the “Annual Report 2022”). The purpose of this Appendix is to provide information to the Shareholders in relation to, and seek Shareholders approval for the proposed renewal of the share purchase mandate, to be tabled at the annual general meeting to be held on Thursday, 20 April 2023 at 2.30 p.m. by way of electronic means.

The Notice of AGM and the accompanying Proxy Form are enclosed with the Annual Report 2022.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Appendix, the Annual Report 2022 and the enclosed documents to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements or opinions made or reports contained in this Appendix.



CSE GLOBAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198703851D)

APPENDIX TO THE NOTICE OF AGM

in relation to

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

CONTENTS

	PAGE
DEFINITIONS.....	3
LETTER TO SHAREHOLDERS.....	6
1. INTRODUCTION.....	6
2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE.....	6
3. DIRECTORS' RECOMMENDATIONS.....	18
4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS.....	19
5. ACTION TO BE TAKEN BY SHAREHOLDERS.....	20
6. DIRECTORS' RESPONSIBILITY STATEMENT.....	20
7. INSPECTION OF DOCUMENTS.....	20

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

- “2023 AGM”** : Has the meaning ascribed to it in Section 1.1(a) of this Appendix
- “2022 Appendix”** : Has the meaning ascribed to it in Section 2.1 of this Appendix
- “Appendix”** : This Appendix to the Notice
- “Appendix 2”** : Appendix 2 of the Take-over Code, as set out in Section 2.10 of this Appendix
- “Annual Report 2022”** : The Company’s annual report for the financial year ended 31 December 2022
- “AGM”** : An annual general meeting of the Company, as the context requires
- “Associate”** : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit and Risk Committee”** : The audit and risk committee of the Company for the time being
- “Board”** : The board of directors of the Company for the time being
- “CDP”** : The Central Depository (Pte) Limited
- “Companies Act”** : The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
- “Company”** : CSE Global Limited
- “Constitution”** : The constitution of the Company, as amended, modified or supplemented from time to time
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or
 - (b) in fact exercises control over a company

DEFINITIONS

“CSE Performance Share Plan 2017”	: The Company’s share-based long term incentive plan, which was approved by Shareholders at the extraordinary general meeting held on 20 April 2017
“Directors”	: The directors of the Company for the time being
“EPS”	: Earnings per Share
“Executive Directors”	: The executive directors of the Company for the time being, and “Executive Director” means any one of them
“FY”	: Financial year ended or, as the case may be, ending 31 December
“Group”	: The Company, its subsidiaries and its associated companies
“Independent Directors”	: The independent directors of the Company for the time being, and “Independent Director” means any one of them
“Latest Practicable Date”	: The latest practicable date prior to the printing of this Appendix, being 20 March 2023
“Listing Manual”	: The listing manual of the SGX-ST
“Market Day”	: A day on which the SGX-ST is open for securities trading
“Notice”	: Has the meaning ascribed to it in Section 1.1(a) of this Appendix
“NAV”	: Net asset value
“Off-Market Share Purchase”	: A Share Purchase by the Company (if effected otherwise than on the SGX-ST) pursuant to an equal access scheme (as defined under Section 76C of the Companies Act) for the purchase of Shares from the Shareholders
“On-Market Share Purchase”	: A Share Purchase by the Company effected on the SGX-ST through ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose
“Registrar”	: The Registrar of Companies appointed under the Companies Act and includes any Deputy or Assistant Registrar of Companies
“Rule 14”	: Has the meaning ascribed to it in Section 2.10 of this Appendix
“Securities Account”	: The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	: Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares
“Share Purchase”	: Purchase of Shares by the Company pursuant to the Share Purchase Mandate

DEFINITIONS

“Share Purchase Mandate”	: The general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set out in the Companies Act and the Listing Manual
“Shares”	: Ordinary shares in the capital of the Company
“subsidiary holdings”	: Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
“Substantial Shareholder”	: A person (including a corporation) who has an interest (direct or indirect) in 5% or more of the total issued Shares of the Company
“Take-over Code”	: The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time

Currencies, units and others

“S\$”	: Singapore dollars
“%”	: Per centum or percentage

The expressions **“subsidiaries”** and **“treasury shares”** shall have the meanings ascribed to them, respectively, in the Companies Act.

The terms **“Depositor”**, **“Depository”**, **“Depository Agent”**, **“Depository Register”** and **“Sub-Account Holder”** shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, or the Listing Manual, or any statutory modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Companies Act, the SFA, or the Listing Manual, or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Appendix between the listed amounts and the totals thereof are due to rounding.

Any reference in this Appendix to **“we”**, **“our”**, **“us”** or their other grammatical variations is a reference to our Company, or our Group, or any member of our Group, as the context requires.

LETTER TO SHAREHOLDERS

CSE GLOBAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 198703851D)

Directors:

Lim Ming Seong (Chairman and Non-Executive Independent Director)
Lim Boon Kheng (Chief Executive Officer and Executive Director)
Sin Boon Ann (Non-Executive Independent Director)
Tan Chian Khong (Non-Executive Independent Director)
Lee Kong Ting (Non-Executive Independent Director)
Ng Shin Ein (Non-Executive Independent Director)
Wong Su Yen (Non-Executive Independent Director)
Derek Lau Tiong Seng (Non-Executive Non-Independent Director)

Registered Office:

1 Harbourfront Avenue Keppel Bay
Tower #14-07 Singapore 098632

5 April 2023

To: The Shareholders of
CSE Global Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 Notice of AGM

We refer to:

- (a) the Notice of AGM of the Company dated 5 April 2023 (the “**Notice**”), accompanying the Annual Report 2022, convening the AGM of the Company to be held on Thursday, 20 April 2023 at 2.30 p.m. (the “**2023 AGM**”);
- (b) Resolution No. 9 relating to the proposed renewal of the Share Purchase Mandate (as defined in Section 2.1 below, as proposed in the Notice).

1.2 Appendix

The purpose of this Appendix is to provide Shareholders with information relating to Resolution No. 9 proposed in the Notice. The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Appendix.

1.3 Legal Adviser

Drew & Napier LLC is the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

At the extraordinary general meeting held on 20 April 2017, the Shareholders approved the share purchase mandate to enable the Company to purchase or otherwise acquire its issued Shares as permitted under and in accordance with the provisions of the Companies Act (“**Share Purchase Mandate**”).

LETTER TO SHAREHOLDERS

The Share Purchase Mandate was last renewed at the adjourned AGM of the Company held on 20 April 2022. The rationale for, the authority and limits on and the financial effects of the Share Purchase Mandate were set out in the Appendix to the Notice of AGM of the Company, dated 5 April 2022 (the “**2022 Appendix**”).

The Share Purchase Mandate will be expiring on 20 April 2023, being the date of the forthcoming 2023 AGM. Accordingly, the Directors propose that Shareholders’ approval for the renewal of the Share Purchase Mandate be sought at the 2023 AGM.

2.2 Rationale for the Share Purchase Mandate

The Share Purchase Mandate would give the Company the flexibility to undertake Share Purchases at any time, subject to market conditions, during its validity period. The Share Purchase Mandate will enable the Company to purchase Shares and hold them as treasury shares for the purposes of transferring to participants on vesting their awards under the CSE Performance Share Plan 2017.

If and when circumstances permit, the Directors will decide whether to effect the Share Purchases via On-Market Share Purchases or Off-Market Share Purchases, after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach.

The Share Purchases would be made only as and when the Directors consider it to be in the best interests of the Company and in appropriate circumstances which the Directors believe will not result in any material adverse effect to the financial position of the Company or the Group. The Directors will use their best efforts to ensure that after a Share Purchase, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

2.3 Authority and Limits on the Share Purchase Mandate

The authority and limits placed on the Share Purchases under the Share Purchase Mandate, if renewed at the 2023 AGM, are summarised below:

2.3.1 Maximum number of Shares

- (a) Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 5% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM at which approval for the renewal of the Share Purchase Mandate is being sought. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for the purpose of computing the 5% limit.
- (b) For illustrative purposes only, on the basis of 614,882,023 issued Shares (excluding treasury shares) as at the Latest Practicable Date, and assuming that no further Shares are issued or purchased by the Company on or before the date of the 2023 AGM, not more than 30,744,101 Shares (representing 5% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate during the duration referred to in Section 2.3.2 below.

LETTER TO SHAREHOLDERS

2.3.2 Duration of authority

- (a) Share Purchases may be made, at any time and from time to time, on and from the date of the AGM at which the proposed renewal of the Share Purchase Mandate is approved, up to:
- (i) the date on which the next AGM is held or required by law to be held; or
 - (ii) the date on which the Share Purchases are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,
- whichever is the earliest.
- (b) The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares, if renewed at the 2023 AGM, may be renewed at the next AGM.

2.3.3 Manner of Share Purchases

- (a) Share Purchases may be made by way of:
- (i) an On-Market Share Purchase; and/or
 - (ii) an Off-Market Share Purchase.
- (b) The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. However, an Off-Market Share Purchase effected in accordance with an equal access scheme must satisfy all the following conditions:
- (i) offers under the scheme are to be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
 - (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
 - (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

LETTER TO SHAREHOLDERS

- (c) In addition, the Listing Manual provides that, in making an Off-Market Share Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:
- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptance;
 - (iii) the reasons for the proposed Share Purchase;
 - (iv) the consequences, if any, of the Share Purchase that will arise under the Take-over Code or other applicable take-over rules;
 - (v) whether the Share Purchase, if made, could affect the listing of the Shares on the SGX-ST;
 - (vi) details of any Share Purchases made by the Company during the previous 12 months (whether On-Market Share Purchases or Off-Market Share Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
 - (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum Purchase Price

- (a) The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors.
- (b) However, the purchase price to be paid for the Shares pursuant to the Share Purchase Mandate must not exceed:
- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
 - (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price of the Shares,

(the “**Maximum Price**”), in either case, excluding related expenses of the Share Purchase.

For the above purposes, “**Average Closing Price**” means the average of the closing market prices of a Share over the last 5 Market Days (“**Market Day**” being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the date of making an announcement for an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5 Market Days and the day on which the purchases are made.

LETTER TO SHAREHOLDERS

2.4 Status of Purchased Shares

Under Section 76B of the Companies Act, any Share purchased or acquired by the Company shall be deemed cancelled immediately on such purchase or acquisition (and all rights and privileges attached to that Share will expire on cancellation) unless held as a treasury share. All Shares purchased by the Company, unless held as treasury shares, will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum Holdings

The number of Shares held as treasury shares shall not at any time exceed 10% of the total number of issued Shares and the Company shall be entered in the Register of Members or the Depository Register, as the case may be, as the member holding those Shares.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote in respect of treasury shares and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of the treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number, as the case may be, is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares purchased or acquired by the Company are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares (or any of them) for cash;
- (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for the Company's employees, directors or other persons;
- (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares (or any of them); or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

The Shares purchased under the Share Purchase Mandate will be held as treasury shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

LETTER TO SHAREHOLDERS

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares, stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.5 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve or renew the Share Purchase Mandate, the Company shall lodge a copy of such resolution with the Registrar.

The Company shall lodge with the Registrar a notice of Share Purchase within 30 days of such Share Purchase. Such notification shall include the date of the purchases, the number of Shares purchased by the Company, the number of Shares cancelled, the number of treasury shares held, the Company's issued share capital before and after the purchases, the amount of consideration paid by the Company for the purchases, whether the Shares were purchased out of the profits or the capital of the Company and such other particulars as may be required in the prescribed form.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the Companies Act, the Company shall lodge with the Registrar a notice of the cancellation or disposal of treasury shares with such particulars as may be required in the prescribed form.

2.6 Source of Funds

The Company may only apply funds for Share Purchases in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash and in the case of an On-Market Share Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company intends to use internal sources of funds to finance its Share Purchases.

The Companies Act stipulates that Share Purchases may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the Share Purchases is made out of profits, such consideration will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the Share Purchases is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced. The Companies Act further stipulates that a payment for such purchase of shares shall include any expenses (including brokerage or commission) incurred directly in the purchase.

LETTER TO SHAREHOLDERS

2.7 Financial Effects

The financial effects on the Company and the Group arising from the Share Purchases will depend on, *inter alia*, whether the Share Purchases are made by way of On-Market Share Purchases or Off-Market Share Purchases, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

For illustrative purposes only, the financial effects on the Company and the Group arising from Share Purchases, based on the audited financial statements of the Company and the Group for FY2022 set out below are prepared based on the following assumptions:

- (a) the Share Purchases comprised 30,744,101 Shares (representing the maximum 5% allowed under the Share Purchase Mandate of the 614,882,023 issued Shares excluding treasury shares and subsidiary holdings, as at the Latest Practicable Date);
- (b) in the case of On-Market Share Purchases, based on a Maximum Price of S\$0.3581 (being 5% above the Average Closing Price prior to the Latest Practicable Date), the maximum amount of funds (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) required for effecting such On-Market Share Purchases would amount to approximately S\$11,009,463;
- (c) in the case of Off-Market Share Purchases, based on a Maximum Price of S\$0.4092 (being 20% above the Average Closing Price prior to the Latest Practicable Date), the maximum amount of funds (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) required for effecting such Off-Market Share Purchases would amount to approximately S\$12,580,486
- (d) the Share Purchases were made out of the Company's capital;
- (e) the Share Purchases took place on 1 January 2022 and the Shares purchased were (i) cancelled; or (ii) held as treasury shares; and
- (f) the Share Purchases were financed by internal sources of funds of the Company.

LETTER TO SHAREHOLDERS

(A) On-Market Share Purchases

	Group			Company		
	Before Share Purchases S\$'000	After Share Purchases		Before Share Purchases S\$'000	After Share Purchases	
		Share Purchases cancelled S\$'000	Share Purchases held by Treasury Shares S\$'000		Share Purchases cancelled S\$'000	Share Purchases held by Treasury Shares S\$'000
As at 31 December 2022						
Share capital	131,902	120,893	131,902	131,902	120,893	131,902
Other reserves	(14,706)	(14,706)	(14,706)	10,026	10,026	10,026
Retained earnings	97,015	97,015	97,015	22,928	22,928	22,928
Treasury Shares	(1,910)	(1,910)	(12,919)	(1,910)	(1,910)	(12,919)
	212,301	201,292	201,292	162,946	151,937	151,937
Non-controlling interests	(1)	(1)	(1)	–	–	–
Total Equity	212,300	201,291	201,291	162,946	151,937	151,937
Current assets	325,946	314,937	314,937	172,264	171,149	171,149
Current liabilities	(222,545)	(222,545)	(222,545)	(110,175)	(120,069)	(120,069)
Non-current assets	167,714	167,714	167,714	140,279	140,279	140,279
Non-current liabilities	(58,815)	(58,815)	(58,815)	(39,422)	(39,422)	(39,422)
Net Asset Value (NAV)	212,300	201,291	201,291	162,946	151,937	151,937
Total borrowings	106,415	106,415	106,415	100,374	100,374	100,374
Less: Cash and cash equivalents	34,211	23,202	23,202	1,115	–	–
Net debt / (cash) ⁽¹⁾	72,204	83,213	83,213	99,259	100,374	100,374
Profit after tax and non-controlling interests	4,769	4,769	4,769	11,262	11,262	11,262
Number of Shares outstanding as at 31 December 2022 ('000)	614,882	584,138	584,138	614,882	584,138	584,138
Weighted average number of Shares as at 31 December 2022						
- Basic ('000)	533,516	502,772	502,772	533,516	502,772	502,772
- Diluted ('000)	537,183	506,439	506,439	537,183	506,439	506,439
Financial Ratios						
NAV per share ⁽²⁾ (cents)	34.5	34.5	34.5	26.5	26.0	26.0
Gross debt gearing ⁽³⁾ (times)	0.5	0.5	0.5	0.6	0.7	0.7
Net debt/(cash) gearing ⁽⁴⁾ (times)	0.3	0.4	0.4	0.6	0.7	0.7
Current ratio ⁽⁵⁾ (times)	1.5	1.4	1.4	1.6	1.4	1.4
EPS ⁽⁶⁾ (cents)						
- Basic	0.89	0.95	0.95	2.11	2.24	2.24
- Diluted	0.89	0.94	0.94	2.10	2.22	2.22

Notes:

- (1) "Net debt" represents total borrowings less cash and bank balances and other deposits with financial institutions.
- (2) "NAV per share" represents net asset value after non-controlling interests divided by the number of Shares as at 31 December 2022.
- (3) "Gross debt gearing" represents total borrowings divided by shareholders' funds.
- (4) "Net debt / (cash) ratio" represents net debt / (cash) divided by shareholders' funds.
- (5) "Current ratio" represents current assets divided by current liabilities.
- (6) "Basic EPS" represents profit after tax and non-controlling interests divided by the weighted average number of Shares as at 31 December 2022.

LETTER TO SHAREHOLDERS

(B) Off-Market Share Purchases

	Group			Company		
	Before Share Purchases S\$'000	After Share Purchases		Before Share Purchases S\$'000	After Share Purchases	
		Share Purchases cancelled S\$'000	Share Purchases held by Treasury Shares S\$'000		Share Purchases cancelled S\$'000	Share Purchases held by Treasury Shares S\$'000
As at 31 December 2022						
Share capital	131,902	119,322	131,902	131,902	119,322	131,902
Other reserves	(14,706)	(14,706)	(14,706)	10,026	10,026	10,026
Retained earnings	97,015	97,015	97,015	22,928	22,928	22,928
Treasury Shares	(1,910)	(1,910)	(14,490)	(1,910)	(1,910)	(14,490)
	212,301	199,721	199,721	162,946	150,366	150,366
Non-controlling interests	(1)	(1)	(1)	–	–	–
Total Equity	212,300	199,720	199,720	162,946	150,366	150,366
Current assets	325,946	313,366	313,366	172,264	171,149	171,149
Current liabilities	(222,545)	(222,545)	(222,545)	(110,175)	(121,640)	(121,640)
Non-current assets	167,714	167,714	167,714	140,279	140,279	140,279
Non-current liabilities	(58,815)	(58,815)	(58,815)	(39,422)	(39,422)	(39,422)
Net Asset Value (NAV)	212,300	199,720	199,720	162,946	150,366	150,366
Total borrowings	106,415	106,415	106,415	100,374	100,374	100,374
Less: Cash and cash equivalents	34,211	21,631	21,631	1,115	–	–
Net debt/(cash) ⁽¹⁾	72,204	84,784	84,784	99,259	100,374	100,374
Profit after tax and non-controlling interests	4,769	4,769	4,769	11,262	11,262	11,262
Number of Shares outstanding as at 31 December 2022 ('000)	614,882	584,138	584,138	614,882	584,138	584,138
Weighted average number of Shares as at 31 December 2022						
- Basic ('000)	533,516	502,772	502,772	533,516	502,772	502,772
- Diluted ('000)	537,183	506,439	506,439	537,183	506,439	506,439
Financial Ratios						
NAV per share ⁽²⁾ (cents)	34.5	34.2	34.2	26.5	25.7	25.7
Gross debt gearing ⁽³⁾ (times)	0.5	0.5	0.5	0.6	0.7	0.7
Net debt/(cash) gearing ⁽⁴⁾ (times)	0.3	0.4	0.4	0.6	0.7	0.7
Current ratio ⁽⁵⁾ (times)	1.5	1.4	1.4	1.6	1.4	1.4
EPS ⁽⁶⁾ (cents)						
- Basic	0.89	0.95	0.95	2.11	2.24	2.24
- Diluted	0.89	0.94	0.94	2.10	2.22	2.22

Notes:

- (1) "Net debt" represents total borrowings less cash and bank balances and other deposits with financial institutions.
- (2) "NAV per share" represents net asset value after non-controlling interests divided by the number of Shares as at 31 December 2022.
- (3) "Gross debt gearing" represents total borrowings divided by shareholders' funds.
- (4) Net debt/ (cash) ratio" represents net debt / (cash) divided by shareholders' funds.
- (5) "Current ratio" represents current assets divided by current liabilities.
- (6) "Basic EPS" represents profit after tax and non-controlling interests divided by the weighted average number of Shares as at 31 December 2022.

LETTER TO SHAREHOLDERS

The financial effects set out above are purely for illustrative purposes only. Although the Share Purchase Mandate if renewed would authorise the Company to purchase or acquire up to 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be in a position to purchase or acquire 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in full. In particular, the Directors do not intend to exercise the Share Purchase Mandate up to the maximum limit or to such an extent where such exercise would materially and adversely affect the financial position of the Group. In addition, the Company may (i) cancel all or part of the Shares repurchased; or (ii) hold all or part of the Shares repurchased in treasury.

2.8 Tax Implications arising from Share Purchases

Shareholders who are in doubt as to their respective tax positions or any tax implications of Share Purchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.9 Listing Manual provisions relating to Share Purchases

The Listing Manual specifies that a listed company shall notify the SGX-ST of any On-Market Share Purchases not later than 9.00 a.m. on the Market Day following the day on which the On-Market Share Purchase was made, and of any Off-Market Share Purchases not later than 9.00 a.m. on the second Market Day after the close of acceptance of the offer for the Off-Market Share Purchase. The notification of such Share Purchases to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

While the Listing Manual does not expressly prohibit purchase of shares by a listed company during any particular time or times, the Company will not purchase or acquire any Shares pursuant to the Share Purchase Mandate after a price sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price sensitive information has been publicly announced. In particular, the Company will not purchase any Shares during the period commencing 2 weeks before the announcement of the Company's business and financial updates for the first and third quarters of its financial year and ending after the announcement of the relevant business and financial updates; and one month before the announcement of the Company's half-year and full-year financial statements, and ending immediately after the announcement of the relevant financial results.

The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The "public", as defined under the Listing Manual, are persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries, as well as the associates of such persons. Based on the Registers of Directors' Shareholdings maintained by the Company and its subsidiaries and the Register of Substantial Shareholders maintained by the Company and the information received by the Company as at the Latest Practicable Date, there are 386,109,484 Shares held by public Shareholders, representing approximately 62.79% of the total number of issued Shares (excluding treasury shares). Assuming the Company exercises the Share Purchase Mandate in full and purchases 5% of the total number of issued Shares excluding treasury shares and subsidiary holdings through On-Market Share Purchases from the public, the number of Shares in the hands of the public would be reduced to 355,365,383 Shares, representing approximately 60.84% of the total number of issued Shares excluding treasury shares. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 5% limit pursuant to the Share Purchase Mandate without affecting the orderly status and/or listing status of the Shares on the SGX-ST. While the Share Purchase Mandate would authorise Share Purchases up to a maximum of 5% limit, Shareholders should note that Share Purchases may not be carried out up to the full 5% limit as authorised, or at all.

LETTER TO SHAREHOLDERS

In undertaking any Share Purchases, the Directors will use their best efforts to ensure that, notwithstanding such Share Purchases, a sufficient float in the hands of the public will be maintained so that the Share Purchases will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.10 Take-over Code implications arising from Share Purchases

The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following any Share Purchases, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**"). Consequently, depending on the number of Shares purchased by the Company and the Company's total number of issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make an offer under Rule 14.

Under the Take-over Code, "persons acting in concert" or "concert parties" comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert with one another, (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with one another, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid for the purchase of voting rights. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code ("**Appendix 2**").

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Shareholders and their concert parties will be subject to the provisions of Rule 14 if they acquire any Shares after the Company's Share Purchases. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Purchases will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of 6 months.

LETTER TO SHAREHOLDERS

If the Company decides to cease the purchase of Shares before it has purchased in full such number of Shares authorised by the Shareholders at the 2023 AGM, the Company will promptly inform the Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors and the Substantial Shareholders before and after the purchase of Shares pursuant to the Share Purchase Mandate, assuming (i) the Company purchases the maximum 5% of the total number of issued Shares (excluding treasury shares), and (ii) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in, will be as follows:

	← Before Share Purchases → (No. of Shares)			Before Share Purchases	After Share Purchases
	Direct Interest	Deemed Interest	Total Interest	%(1)	%(2)
Directors					
Lim Ming Seong	120,000	4,670,000	4,790,000	0.78	0.82
Lim Boon Kheng	2,407,429	14,271,600	16,679,029	2.71	2.86
Sin Boon Ann	–	–	–	–	–
Lee Kong Ting	–	–	–	–	–
Tan Chian Khong	–	60,000	60,000	0.01	0.01
Ng Shin Ein	–	–	–	–	–
Wong Su Yen	–	–	–	–	–
Derek Lau Tiong Seng	–	–	–	–	–
Substantial Shareholders					
Orchid 2 Investments Pte Ltd	62,888,889	–	62,888,889	10.23	10.77
Orchid 3 Investments VCC	90,644,210	–	90,644,210	14.74	15.52
Heliconia Capital Management Pte Ltd	–	153,533,099	153,533,099	24.97	26.28
Heliconia Holdings Pte Ltd	–	153,533,099	153,533,099	24.97	26.28
65EP Investment I Pte Ltd	–	153,533,099	153,533,099	24.97	26.28
65EP Investments Pte Ltd	–	153,533,099	153,533,099	24.97	26.28
65 Equity Partners Group Pte Ltd	–	153,533,099	153,533,099	24.97	26.28
65 Equity Partners Pte Ltd	–	153,533,099	153,533,099	24.97	26.28
Thomson Capital Pte Ltd	–	153,533,099	153,533,099	24.97	26.28
Tembusu Capital Pte Ltd	–	153,533,099	153,533,099	24.97	26.28
Temasek Holdings (Private) Limited	–	153,533,099	153,533,099	24.97	26.28
Fullerton Fund Investments Pte Ltd	–	153,533,099	153,533,099	24.97	26.28
Seletar Investments Pte Ltd	–	153,533,099	153,533,099	24.97	26.28
Fidelity Puritan Trust	44,811,827	–	44,811,827	7.29	7.67
Fidelity Management & Research Company LLC	–	44,811,827	44,811,827	7.29	7.67
FMR LLC	–	50,500,869	50,500,869	8.21	8.65
Abigail P Johnson	–	50,500,869	50,500,869	8.21	8.65

Notes:

- (1) As a percentage of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, comprising 614,882,023 Shares.
- (2) As a percentage of the total number of issued Shares (excluding treasury shares) comprising 584,137,922 Shares (assuming that the Company purchases the maximum number of 30,744,101 Shares under the Share Purchase Mandate).

LETTER TO SHAREHOLDERS

Based on the shareholdings of the Directors and the Substantial Shareholders of the Company as at the Latest Practicable Date, none of the Directors or Substantial Shareholders will become obligated to make a mandatory offer by reason only of the purchase or acquisition of the maximum number of 30,744,101 Shares pursuant to the Share Purchase Mandate.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to purchase or acquire Shares pursuant to the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or The Securities Industry Council of Singapore and/or other relevant authorities at the earliest opportunity as to whether an obligation on their part, if any, to make a mandatory take-over offer under the Take-over Code would arise by reason of any Share Purchases by the Company.

2.11 Details of Share Purchases during the previous 12 months

The Company did not carry out any Share Purchases during the previous 12 months.

3. DIRECTORS' RECOMMENDATIONS

Having considered the rationale for the renewal of the Share Purchase Mandate, the Directors are of the opinion that the Share Purchase Mandate is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 9 at the 2023 AGM.

The Directors further recommend that any individual Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisor.

LETTER TO SHAREHOLDERS

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Interests of Directors and Substantial Shareholders in issued Shares. As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in issued voting Shares, are as follows:

	Direct Interest		Deemed Interest		Total
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	% ⁽¹⁾
<u>Directors</u>					
Lim Ming Seong	120,000	0.02	4,670,000	0.76	0.78
Lim Boon Kheng	2,407,429	0.39	14,271,600	2.32	2.71
Sin Boon Ann	–	–	–	–	–
Lee Kong Ting	–	–	–	–	–
Tan Chian Khong	–	–	60,000	0.01	0.01
Ng Shin Ein	–	–	–	–	–
Wong Su Yen	–	–	–	–	–
Derek Lau Tiong Seng	–	–	–	–	–
<u>Substantial Shareholders (other than Directors)</u>					
Orchid 2 Investments Pte Ltd	62,888,889	10.23	–	–	10.23
Orchid 3 Investments VCC	90,644,210	14.74	–	–	14.74
Heliconia Capital Management Pte Ltd	–	–	153,533,099	24.97	24.97
Heliconia Holdings Pte Ltd	–	–	153,533,099	24.97	24.97
65EP Investment I Pte Ltd	–	–	153,533,099	24.97	24.97
65EP Investments Pte Ltd	–	–	153,533,099	24.97	24.97
65 Equity Partners Group Pte Ltd	–	–	153,533,099	24.97	24.97
65 Equity Partners Pte Ltd	–	–	153,533,099	24.97	24.97
Thomson Capital Pte Ltd	–	–	153,533,099	24.97	24.97
Tembusu Capital Pte Ltd	–	–	153,533,099	24.97	24.97
Temasek Holdings (Private) Limited	–	–	153,533,099	24.97	24.97
Fullerton Fund Investments Pte Ltd	–	–	153,533,099	24.97	24.97
Seletar Fund Investments Pte Ltd	–	–	153,533,099	24.97	24.97
Fidelity Puritan Trus	44,811,827	7.29	–	–	7.29
Fidelity Management & Research Company LLC	–	–	44,811,827	7.29	7.29
FMR LLC	–	–	50,500,869	8.21	8.21
Abigail P Johnson	–	–	50,500,869	8.21	8.21

Note:

- (1) The shareholding interest is calculated based on the total issued and paid-up share capital of the Company comprising 614,882,023 Shares (excluding treasury shares) as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

5. ACTION TO BE TAKEN BY SHAREHOLDERS

The 2023 AGM, notice of which is set out in the Notice, will be held by electronic means on Thursday, 20 April 2023 at 2.30 p.m.

Shareholders, who wish to vote on Resolution 9 relating to the proposed renewal of the Share Purchase Mandate at the 2023 AGM, must appoint the Chairman of the 2023 AGM as proxy to vote on their behalf by completing, signing and returning the Proxy Form in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive by (i) post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 or (ii) email at srs.teamd@boardroomlimited.com, not later than 72 hours before the time fixed for the AGM.

Please refer to the alternative arrangements relating to, among others, attendance at the 2023 AGM via electronic means, submission of questions in advance of the 2023 AGM and/or voting by appointing the Chairman of the 2023 AGM as proxy at the 2023 AGM as set out in the Company's announcement dated **5 April 2023**, which has been published, together with the Notice, on the SGX's website and the Company's corporate website.

A Depositor shall not be regarded as a member of the Company and his/her/its Proxy Form may be rejected by the Company unless his/her/its name appears on the Depository Register maintained by CDP at least 72 hours before the time fixed for the 2023 AGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

7. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 during normal business hours from the date hereof up to and including the date of the 2023 AGM:

- (i) the Constitution of the Company;
- (ii) the Annual Report 2022; and
- (iii) the 2022 Appendix.

Yours faithfully
For and on behalf of
the Board of Directors of
CSE Global Limited

Lim Ming Seong
Chairman and Non-Executive Director
5 April 2023